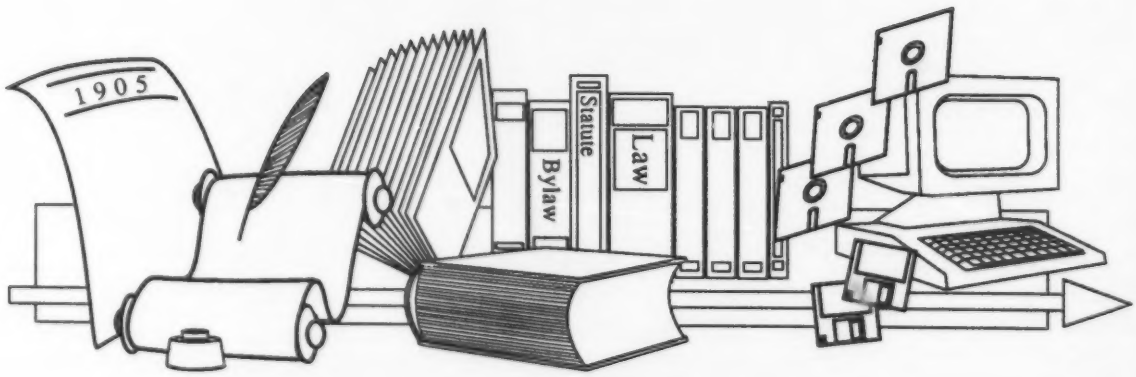
Discussion Paper

Administering Assessment in Alberta

Response Deadline: November 18, 1991



Alberta

Municipal Statutes Review Committee

INTRODUCTION

Earlier this year the Municipal Statutes Review Committee published two Legislation Papers dealing with the assessment of real property in Alberta.

One paper proposed a **Property Assessment Act** and responses indicated that there was general support for its contents. Refinements were made to reflect comments received and further thought by the Committee. A report was made to the Minister of Municipal Affairs in August recommending a new Property Assessment Act.

The second paper proposed an Alberta Municipal Assessment Corporation Act. This paper gave rise to widespread debate and a diversity of responses to the Committee. There was no general concensus on the path that should be followed and even those that supported the Corporation idea suggested that further information should be available. The Committee, therefore, arranged for a working group, representative of both those that supported and opposed the Corporation concept, to prepare a report which discussed as many of the issues raised in those comments as possible.

The working group produced an extensive report, a copy which may be obtained on request from the Secretariat. The report served as the starting point for this Discussion Paper on the organizational structure for the assessment function in Alberta. In the main body of the paper three basic options, cost projections and implementation issues are reviewed. There are a multitude of variations possible on any of the options but the working group and the Committee believe that these three represent the basic choices that must be made.

The Committee asks all municipalities and other respondents, regardless of how they responded to the first paper, to carefully consider the information presented in this Discussion Paper and then to respond to the Committee providing as full an explanation as possible for the position taken in the response. In order to assist in the discussion the Committee will be holding a series of public information meetings across the province in October. Information on these will be distributed in the near future.

Please forward your response before November 18 to:

Municipal Statutes Review Committee
17th Floor, CityCentre,
10155 102 Street,
Edmonton, Alberta T5J 4L4

Telephone (403) 427-8861 FAX (403) 420-1016

BACKGROUND

The proposed Property Assessment Act recommends the use of market value as the standard for the assessment of most properties in Alberta. This assessment system offers taxpayers the opportunity to better understand how their properties are assessed and to judge for themselves whether this assessment is reasonable. This proposal has received general acceptance throughout the province.

Property tax revenues in Alberta are about $2 billion per year. Property assessment is the base for levying the tax. Therefore both governments and taxpayers have an interest in ensuring that assessment is administered fairly and consistently in all parts of the province.

The change to a new assessment standard will allow for the equivalent of general assessments every year making property taxation fairer both within and across municipal jurisdictions. Fairer and more consistent allocation of requisitions for schools and hospitals, for example, and a fairer distribution of provincial grants will also result.

There are strong incentives to change to market value now. The inequities in the existing system have not yet become so entrenched as to be considered a "right" to pay lower taxes. The current system is regulation-bound with three different assessment manuals in use. More regulations are continually required to deal with new types of developments, such as the 3000 square foot house with two bedrooms or the new styles of strip malls. Many people argue that this regulated process is becoming less supportable in the courts and as the number of regulations grows it will become even less so.

With the market value standard, the focus is on the validity of the final product, the assessed value. The processes used to derive this result are of secondary importance. This represents a significant shift away from the current system in Alberta whereby the validity of the assessment derives primarily from the proper application of the procedural rules and regulations to determine the "fair actual value". Under the market value system, the most probable selling price, the present value of future income generated by investment properties or land acquisition cost plus replacement cost for the improvements allowing for depreciation may all be used to determine the market value of all properties within a defined area as of a specific date.

The concept of market value and related changes have been generally supported but widely divergent and strongly held views on the most appropriate organizational structure to deliver the assessment function in Alberta have been expressed. It is important to note that regardless of the organizational structure selected, most of the assessment inventory will have to be brought up-to-date in order to implement the market value standard.

Equally important to note is that the change to a market value standard will result in a change in the delivery of assessment services, regardless of how the system is structured. Change is characteristic of society today. This paper reviews options for managing the inevitable change and by providing more information attempts to address the understandable anxiety of those who would be directly affected.

THE CURRENT SITUATION

Alberta municipalities either employ their own staff, enter into a contract with Alberta Municipal Affairs or retain a private contractor to deliver assessment services. The 1991 mix of assessment services is shown in Figure 1.

The legislation framework is the most important factor influencing assessment administration. The pervasive, controlling nature of Alberta assessment legislation is unequalled in Canada and more than 20 regulations provide supplementary direction and limitations on assessors and assessments. There is also singular reliance on the replacement cost method of valuation.

Alberta has about 1.3 million parcels of land, 93% of which are either residential properties or farmland. There are about 535 people involved in the assessment function in 51 offices located in 32 communities. Some communities like Lethbridge have 3 separate assessment offices: the city, the county and Alberta Municipal Affairs. Based on a July, 1991, survey, total costs for assessment in 1991 will be about $37,150,000 (including administrative overhead and data processing).

The 10 cities that prepare their own assessment roll bear 100% of the cost. The 33 other municipalities which hire their own assessors or contract with private companies are reimbursed by Alberta Municipal Affairs for 25% of the cost of preparing **general** assessments (1991 grant budget $363,000). Annual assessments are not covered.

Municipalities contracting with Alberta Municipal Affairs pay 75% of the per diem cost set by Ministerial Order. The per diem cost on average is about 20% of the actual cost of assessment. As a result these 332 municipalities are, in effect, paying only 15% (75% of 20%) of the actual cost of their assessment function. This subsidy is in excess of $11 million in 1991.

The cost of preparing assessments under the Electric Power and Pipeline Assessment Act (linear property, cable TV, telecommunications, etc.) has never been charged to any municipality and is entirely subsidized by the Province.

This highly skewed subsidy pattern will have a major impact on whether the projected costs for any of the three options discussed are more or less than current costs for any municipality. This must be borne in mind when evaluating the alternatives for the future.

SERVICE DELIVERY OPTIONS

Before any comparison of alternative organizational structures is attempted, it must be remembered that the most appropriate structure **cannot** be determined in isolation. As Tom Peters and his co-authors have noted, structure, strategy, staff, style, skills, support systems and shared values all interact to determine organizational effectiveness (June, 1989, Business Horizons). Using a market value standard will dramatically change the "shared values" or "mindset" of assessors as they move from a process driven by regulations to a market value system. Also, whatever option is chosen, a new emphasis on

communications and client relations will be required. Municipalities, whatever structure is chosen, will continue to have authority i n the critical area of taxation policy.

There are three basic assessment delivery options to consider when thinking about what will best serve Albertans into the 21st century:

Option 1
A municipally controlled service guided by provincial regulation

Option 2
A single, independent corporation with province-wide responsibilities

Option 3
An independent corporation with field operation alternatives.

These are discussed in more detail below.

OPTION 1 - MUNICIPALLY CONTROLLED SERVICE GUIDED BY PROVINCIAL REGULATIONS

Option 1 is basically the current structure (see Figure 2). Municipalities would retain the choice of delivering the service themselves, forming a regional group to deliver the service, contracting with Alberta Municipal Affairs or contracting with a private sector firm. Municipalities would be responsible for the data base, quality control and cost control. Alberta Municipal Affairs would continue to set standards and regulations, provide the audit function, and assess linear property. It would also administer the Province's financial support for assessment which one might expect to be more evenly distributed than at present. Provision for continuing provincial financial support is discussed later in this paper. The field delivery agent would be responsible for staffing, staff compensation, training and the computer system.

This structure has the advantages of

- being in place now
- being most responsive to local conditions
- creating the potential for efficiencies through competition.

It also allows the approximately 20 municipalities where assessment is a part-time function to utilize the staff in other areas of responsibility. Financing the assessment function is most likely to be impacted negatively by local or provincial budget priorities and underfunding over a number of years will lead to inconsistent assessments and therefore inequities.

This option provides the appearance of local autonomy, but the principles of equity and uniformity limit any local autonomy. A market value assessment system, particularly since it will eliminate the assessment equalization process, requires strong and <u>enforceable</u> rules to ensure equity and fairness. (Even under the existing system, municipalities have very little autonomy in assessment policy).

OPTION 2 - SINGLE INDEPENDENT CORPORATION WITH PROVINCE-WIDE RESPONSIBILITIES

The corporation organization structure is shown in Figure 3. The head office would deliver "corporate functions" such as standards and regulations, training, various administrative functions and specialized assessments. It would also develop the computer systems and data base necessary for market value assessment. It would provide technical support to branch offices and ensure the proper achievement of standards in the valuation process. The head office would also be responsible for financial administration of the corporation - budget preparation and control, receiving revenues from the province and municipalities, and financial reporting.

The assessors in the branch offices would be responsible for field inspections, maintenance of the inventory or data base and the modelling required to determine the assessed value for each property.

The corporation would be operationally independent of both the Province and the municipalities with control being exercised by the Board of Directors. The corporation would have the powers of an individual which would enable it to hire employees, enter into contracts and engage in other activities necessary to deliver assessment services. For example, if deemed appropriate by the Board it could contract some of the process, such as information collection, to the private sector.

The funds required to operate the corporation, net of the provincial contribution, would be raised as a charge to the individual property owner based on the value of the property and would be collected by the municipalities. The provincial Auditor General would provide the financial audit function.

The single corporation has the advantages of:

- easier implementation of the substantial training and computer systems required
- development of a single organizational structure that emphasizes the assessment function
- maintenance of assessment information throughout the province to the standard required without budget competition with other services
- eliminates the need for an Assessment Equalization Board since all properties in all municipalities would be assessed at the same time using the same procedures.
- taxpayers would know exactly what the assessment function costs them

As with any organization with a monopoly, there is a danger of the corporation becoming unresponsive should the Directors and staff fail their responsibility to maintain contact with the community.

In addition there may be a perception that the corporation involves "centralization" of the assessment function. Authority for setting standards, procedures, inspection and operational audit of the assessment function are now centralized in Alberta Municipal Affairs so there would be little change in

that respect. The delivery of assessment services is now dispersed to various centres around the province and, as will be discussed later, that dispersal is envisioned to continue.

OPTION 3 - INDEPENDENT CORPORATION WITH FIELD DELIVERY ALTERNATIVES

In this option the corporation would assume most of the corporate functions now provided by Alberta Municipal Affairs or proposed for the head office in Option 2 (see Figure 4) as well as the operational audit function to ensure provincial assessment standards were being met. Municipalities would retain the options of doing assessments themselves, forming a regional group to deliver the service, contracting with the corporation or contracting with the private sector. The field service delivery agent would be responsible for staffing, salaries and benefits.

Funds for the assessment function would be raised as in Option 2. However each municipality would receive a budget allocation based on the standard costs of doing assessments on the properties in their community. The municipality could then tender out the delivery of this service. This competition should encourage the corporation's operations division as well as other service deliverers to be cost-efficient. The provincial Auditor General would provide the financial audit function.

This option has the advantages of

- some degree of responsiveness to local conditions
- potential efficiency through competition
- some degree of municipal control and autonomy
- allowing smaller municipalities to combine the assessment role with other required responsibilities.

As with Option 1, this alternative does not isolate the assessment function from local budget decisions and the quality of the data base could be affected over time. Also, training and computer software development may be inconsistent. The corporation would have to have strong control over all aspects of assessment which limits any perceived municipal autonomy.

As with Option 1, employees will have loyalty to both their employing organization and to their profession. With the single corporation in Option 2 loyalty is focussed on assessment which provides more opportunity to build "esprit de corps" among the assessors and thereby strengthen the organization and the profession.

ESTIMATED TRANSITION COSTS (converting to market value)

The estimated incremental costs of moving to the market value standard under each option are shown in Figure 5. These are preliminary estimates only, may change significantly and are based on the assumptions discussed below.

Staff

Much of the data on the inventory of properties in Alberta must be updated for an effective market value approach. Some 258 municipalities are using an assessment base which is one to seven years old and 42 more are using bases more than eight years old. A total of 410 assessor years will be required for the updating to the standard required for market value assessment. It has been assumed that this updating will be done by assessors in lieu of general assessments over the next several years. On average each assessor should have about 70 days per year for this inventorying after allowing for assessments on new and modified properties, training, appeal proceedings and so on. Therefore no incremental staff costs were included for this field work.

About 136 person years will be required for data entry. Some of these personnel are undoubtedly already on staff and would otherwise be working on general assessment data. New staff, accounting for 100 person years, are assumed to be hired. Salary costs are estimated at $24,000 per clerk plus 15% benefits.

A few jurisdictions are still maintaining their data base manually and some system analyst time will be required to set up the basic programs to computerize the inventory. This is a straightforward process and so the time and financial requirements are expected to be minimal ($50,000).

Training

Assessors not using the current manual will require some skill improvement in order to do the required inventory. Extensive training programs, appropriate to the inventory phase, already exist in Alberta and can be taken to the student thereby minimizing travel and associated costs. 4200 days of training are projected at a cost of $350,000 for tuition with $100,000 for travel and other costs.

All assessors, supervisors and managers will have to receive training in market value assessment. Under **Option 1** tuition costs are estimated to be in the order of $700,000. It will be more difficult to take these courses to the assessor and cross-fertilization of ideas will be important. Thus $700,000 has been allocated for travel and associated costs for students from across the province to come to a central location. The assumed expenses are marginally lower for **Options 2 & 3** since with fewer offices, fewer staff will require specialized training to ensure all necessary skills are represented in each office.

In other jurisdictions which have introduced market value assessments, experience has shown that extensive interaction with taxpayers is required to explain how the individual assessments were derived. Training in effective communications could total 5 days per staff member over the transition period amounting to $340,000 in tuition, travel and related costs.

In either **Option 2 or 3** the management team would have to have some training within the new organizational structure. This cost is estimated at $100,000.

The identified training costs focus on the out-of-pocket costs for tuition and travel. In addition significant staff resources will be required to incorporate the ideas presented in the training programs into work programs. This applies to both the technical training and the organizational training targeted at developing the new environment that will be needed to most effectively implement these changes.

Computers

Investment in data processing systems will be crucial to effective implementation of the market value standard. Under any of the options, the computer system must evolve with and serve the assessment function. The assessment function should not be determined by the computer system.

There is no computer system in Alberta that is designed to accommodate the market value approach and therefore a new system will be required under any of the options. A 1986 Alberta Municipal Affairs study estimated the cost of a single assessment computer system for the entire province at $5.7 million. Manitoba subsequently adopted a similar system at a cost of $5 million. On the other hand, Nova Scotia purchased an off-the-shelf system for $170,000 but it costs $10 per parcel per year to operate as compared to the British Columbia cost of $1.42 per parcel. The additional operating cost would exceed any saving in capital cost within two years. Therefore purchasing an off-the-shelf system was rejected and $5 million is estimated as the cost for **Option 2**.

Option 3 would probably result in more development costs because more jurisdictions are involved resulting in a $5.5 million estimate. This could be much higher if a significant number of municipalities did not contract with the corporation or if extensive cooperation is not achieved.

The costs under **Option 1** are the highest, involving conversion of the 13 existing systems at an estimated cost of $7.5 million. This assumes that all systems will be converted at the same time and that there will be a good deal of cooperation. The costs will be significantly higher if extensive cooperation is not achieved.

$0.5 million is estimated to be required for new hardware required to support data analysis regardless of the option chosen. Also the data entry clerks will require micro computers, digitizing pads, printers and PC work stations at an estimated cost of $500,000.

All of these computer costs are incremental. Replacement and upgrading of currently available machines is included in the annual operating costs as is a substantial component for software development. Nevertheless the estimates are likely conservative.

Relocation Costs

Under either **Option 2 or 3** some relocation of staff will be necessary, estimated at $1,000,000 and $800,000 respectively, inclusive of office relocation costs. In some cases this simply involves consolidating two or more existing offices in one community. Transfers will be kept to minimum.

Public Information Program

Experience in other jurisdictions has shown that an extensive public information program must be undertaken to educate the general taxpayer as well as municipal councils on the market value approach. Recent experience for introducing change of this magnitude indicates that $1,000,000 which is a reasonable estimate for all options. Under either **Option 2 or 3** an additional $100,000 is projected for a public information component on the corporation.

Summary Comment on Transition Costs

With no change in the organizational structure (Option 1) transition to a market value standard will cost an estimated $14.5 million. These costs **must** be incurred for successful introduction of the new assessment system. Under Option 2, the single corporation, the cost would be $13 million and under Option 3, the corporation with field options, the cost would be $13.4 million. Again it must be emphasized that these are best estimates developed through the expertise of the working group in the time available.

ANNUAL OPERATING COSTS

Option 2

During the transition period, the costs of operating the single corporation are assumed to be the same as they are under the present structure, $37.15 million. One possible organizational structure for corporation envisions 7 regional offices and 29 district offices. Space costs for these should not exceed those under the existing structure which has 53 offices in 32 communities. The full complement of assessors will be needed in the transition period to upgrade the inventory and with the system change and training required there may be a significant productivity loss. Thus no savings can be expected for the first four or five years but operating costs equal to those under the current system appear reasonable.

The experience in British Columbia has been that, since the 1979 establishment of its Assessment Authority, there has been a 20% decrease in staff in spite of a 62.5% increase in workload. Such a dramatic shift should not be expected in Alberta because much of the assessment function is already computerized. However, when productivity improvement is combined with a flatter organization, a 15% increase in productivity seems reasonable. At current workloads, this would translate into a saving of $5.6 million or more per year.

Option 1

If the present structure is maintained, assessors will still have time available after the inventorying is complete but the savings due to flatter organizational hierarchy would not be achieved. Some productivity increases are forecasted but to a lesser extent than under Option 2 because of the fragmentation of resources among the various independent agencies. As a result, a 12% saving in operating costs may be achievable, approximately $4.4 million.

Option 3

Annual operating costs for this option would depend on how many municipalities chose some option other than the corporation delivering field services. An accurate estimate is not possible but the savings should range between those for Options 1 and 2, or between $4.4 million and $5.6 million annually.

Allocation of Assessment Costs

It is assumed that the Province would continue to contribute the core provincial funding as well as the subsidy provided for general assessments, in total about $14.5 million. The Assessment Commissioner's function related to setting standards and developing regulations for the province will continue to be necessary. Also, several agencies in addition to municipalities will make use of the assessment data base (school boards, hospitals, the Alberta Planning Fund, and so on). Since most of the funding for these organizations comes from the province, the government will be paying either through user charges to the agencies or through a direct contribution to the assessment function. This leaves about $22.7 million to be raised from municipal sources.

Under **Option 1**, municipalities would continue to be directly responsible for local assessment costs. It should be noted, however, that the municipalities currently receiving an 85% subsidy from Municipal Affairs will see their costs increase in any event as the per diem rates are adjusted to more realistic levels.

Under **Options 2 and 3**, the municipal contribution can be allocated in many ways. The existing Municipal Affairs per diem charge procedure was originally intended to reflect the effort required to prepare the assessment. Ability to pay as indicated by the assessment base may be a more appropriate method. Differential property tax rates are standard practices reflecting differences in ability to pay, in whether taxes can be passed along to the final consumer, and in deductibility of the tax for income tax purposes. Property fee rates would be established for each type of property and the total fee paid by a community is the sum of the rates applied to its assessment within each category.

For example, the fee to the property owner per $100,000 of assessment might be:

Farmland	$10.00
Residential	10.00
Machinery & Equipment	30.00
Linear Property	30.00
Commercial/Industrial	30.00

This would be sufficient to raise the $22.7 million contribution from municipal sources.

IMPLEMENTATION ISSUES

Several implementation issues affect some options and not others. In most instances, an issue that affects Option 2 will also affect Option 3. Many of these issues as they affect a corporation can only be decided by its Board of Directors after incorporation. Policy direction can only be suggested at this time.

Transition Period

How the transition occurs depends in part on which delivery option is accepted. Under **Option 1** those communities with an excellent data base in place may wish to move to market value immediately. Others may find it more efficient to use market value on the current information and upgrade the inventory over time. The impact of the change would therefore be spread over several years. Still others might place a moratorium on general assessments and devote all their energies to improving the inventory before applying the market value standard. Similar observations would apply under **Option 3** to those municipalities choosing to deliver field services themselves.

Under **Option 2** the corporation would have the additional choice of "blitzing" the areas where the information in the data base was the weakest with assessors from elsewhere in the province to compile the data base.

In any event, the 360 assessors in the province using on average 70 days per year would require 4 years to complete the transition process.

Corporation Board of Directors

Under **Option 2 or 3** the composition of the Board of Directors of the corporation and the method of appointing Directors would be issues.

The Board needs to be capable of representing the various stakeholders who are directly affected by decisions of the corporation - taxpayers, municipalities, the Provincial Government and perhaps the assessors. Within the taxpayer group, the farming community, residential property owners and the business community might expect representation. Municipalities, of course, have a direct stake because the product, the assessment roll, forms the basis for municipal tax revenue. As the Province is expected to contribute financially, it will want to ensure that its investment is effectively utilized.

The mix of Directors must also be representative of the different regions in the province and the different types of municipalities. It is also critical that the Directors have knowledge or skill in various areas - business management, the assessment process and municipal finance, to name three. The business experience is critical if the Board is to ensure that the corporation is run efficiently.

Directors might be appointed by the Lieutenant Governor in Council or directly selected by stakeholder groups. Geographical and other balances might be easier to achieve by appointment.

Employment of Assessors

Under **Option 2**, in the transition to the corporation all currently employed assessors should be treated equitably. This could include an offer of employment with the corporation, a severance package or an early retirement package. Some variation of these arrangements has been used in other jurisdictions in similar instances. Under **Option 3** assessors currently employed with Municipal Affairs and with municipalities opting to contract with the corporation for field services would be treated similarly.

A complex question under either of these options involves the three different unions and the different benefits packages (working conditions, pensions, etc.) that currently affect assessors. These concerns will need to be addressed in consultation with the unions if either **Option 2 or 3** is selected.

Work in the assessment field will continue to expand as the population and industrial base in the province grows. As discussed above, productivity improvements will not be realized for at least four years while implementation procedures are underway. Productivity savings then can be realized over time through normal attrition and/or be increasing the number of assessors more slowly than the growth in assessment work.

Office Locations

If either **Option 2 or 3** is accepted, the locations of the head office, regional and district offices for the corporation will have to be chosen.

The head office location should provide physical evidence of the corporation's independence from the Provincial Government, very large stakeholders and large business corporations. It should be located in reasonable proximity to a variety of assessment situations, e.g. urban/rural, form/industry and active/inactive markets. In addition, it should be readily accessible for all taxpayers in the province and there must be a sufficient labour force to allow the corporation to compete effectively for skilled staff. If **Option 3** is selected, the head office should be located in a community served by the corporation.

The number of branch offices would be determined by such factors as participating municipalities, property/assessor ratios, travel time, geographic coverage, rate of development and effective office sizes including management/staff ratios required for efficient office sizes. With the high cost of travel a basic principle would be to locate assessors as close to served communities as possible. The scheme mentioned earlier would see 7 regional offices and 29 district offices and would involve district office responsibility for one or more rural municipalities and all the urban municipalities within that rural area.

This is only one alternative but it does allow for excellent geographic coverage placing assessors in close proximity to their clients. Many communities, particularly those currently served by Municipal Affairs, may have their assessor more available than at present. A district office might also assign some of its staff to a branch office in another community when

conditions warrant. For example, the Municipal Affairs Calgary assessment office currently has two staff working out of the Municipal District of Foothills office in High River.

CONCLUSION

In this Discussion Paper, the Committee has attempted to fairly review the issues and concerns which have been raised with it. It has presented three options for consideration and comment - the existing arrangement, a single corporation, and a mixture of the two - and has reviewed some of the implications of each.

Now it is your turn:

1. Which Option do you consider the best for the delivery of assessment services in Alberta into the 21st century?

2. What comments, suggestions, advice do you have to offer the Committee that could improve the Option you have selected?

Regardless of which Option you have chosen, please provide comments on the following questions:

3. If Option 1 (the existing structure) is selected, should the Province continue to subsidize the cost of assessment services to municipalities contracting with Municipal Affairs? If so, to what extent?

4. If Option 1 is selected do you have any ideas on how a comprehensive, province-wide assessment data base could be developed?

5. If Option 2 (the single corporation) or Option 3 (corporation with field options) is selected what suggestions do you have on who should be on the Board of Directors and how Directors should be appointed?

6. If Option 2 or Option 3 is selected, what suggestions do you have to offer on how the municipal portion of the costs should be allocated?

7. What other suggestions, comments or advice do you have to offer on how the delivery of assessment services in Alberta may be improved?

Please ensure that your responses are submitted to the Committee by November 18, 1991. Thanks for taking part in this important discussion.

Figure 1

HOW THE ASSESSMENT FUNCTION IS CURRENTLY DELIVERED

	MUNICIPALITIES	%	STAFF	%	PARCELS	%	EQUALIZED ASSESSED VALUE ($MILLIONS)	%
BY MUNICIPAL STAFF cities 10 rural 25	35	9	342	64	706	55	$52,962	70
BY MUNICIPAL AFFAIRS cities 6 towns 107 villages 173 rural 46	332	89	186	35	558	43	$22,506	29
BY PRIVATE CONTRACTOR urban 5 rural 3	8	2	7	1	27	2	$ 536	1
TOTAL	375	100	535	100	1,291	100	$75,904	100

Source: Survey of Assessment Units, July, 1991.

Figure 2

CURRENT STRUCTURE FOR ASSESSMENT IN ALBERTA

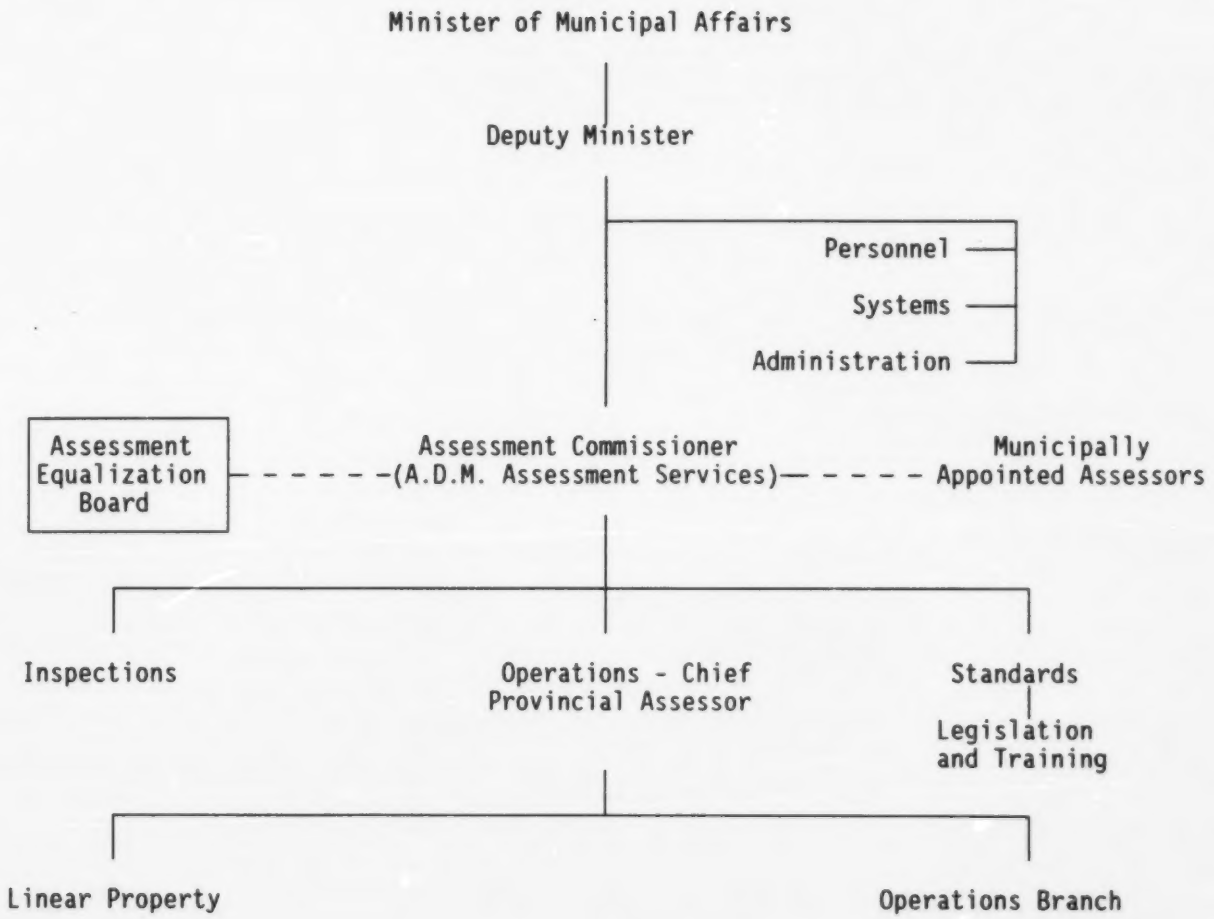


Figure 3

ORGANIZATION CHART - ASSESSMENT CORPORATION

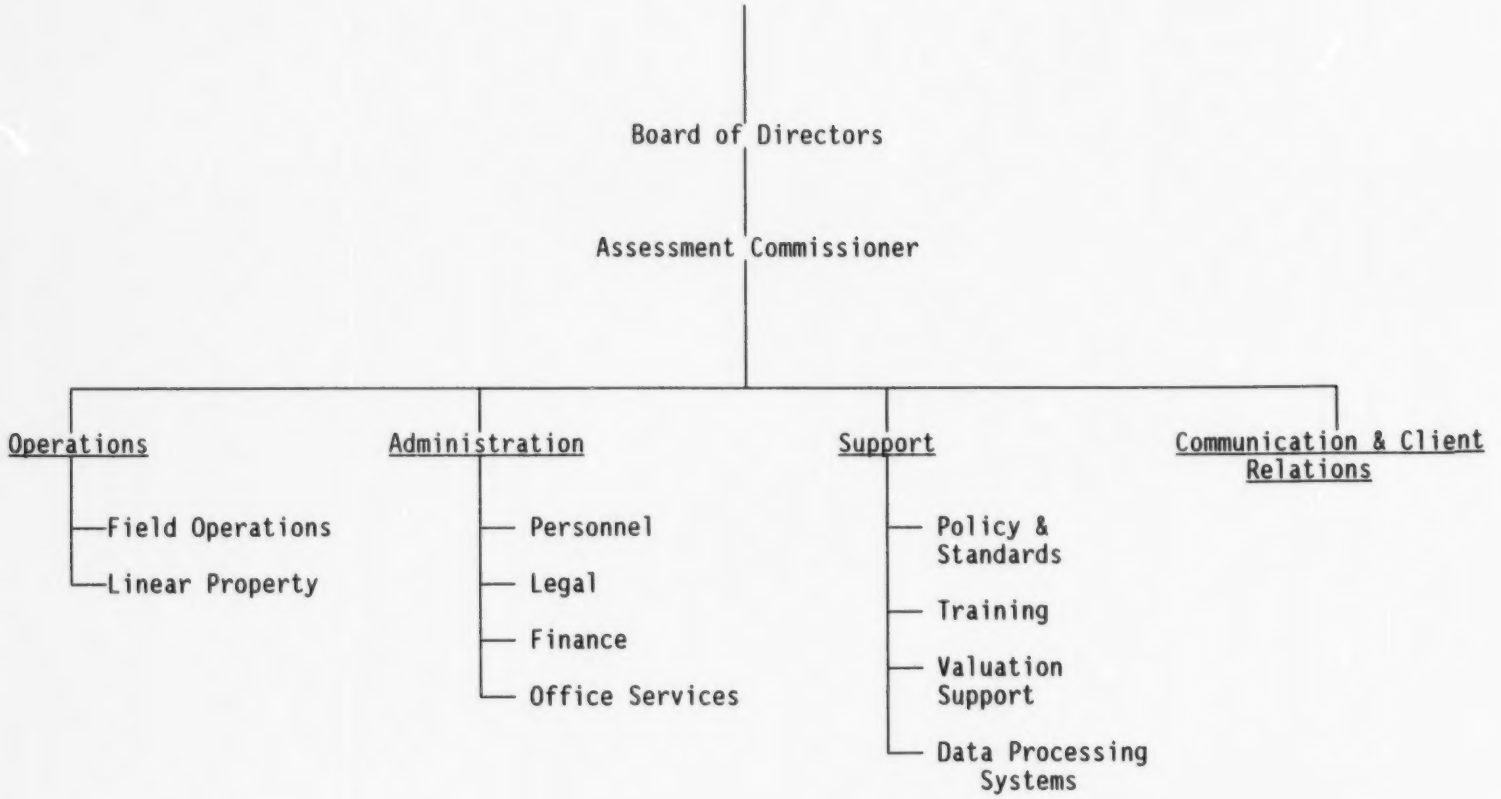


Figure 4

ORGANIZATION CHART

ASSESSMENT CORPORATION WITH FIELD ALTERNATIVES

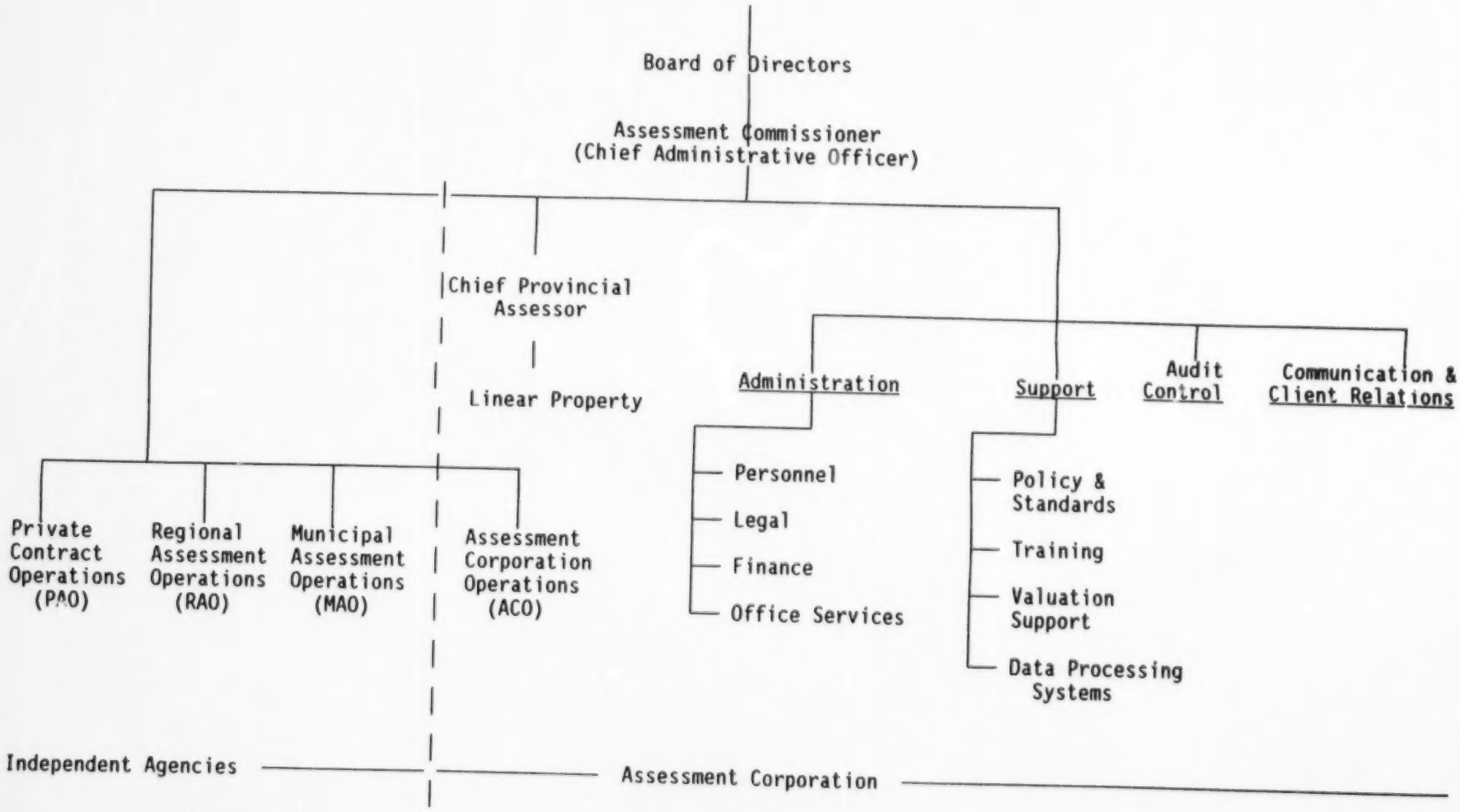


Figure 5

TRANSITION COSTS TO MARKET VALUE

BY DELIVERY OPTIONS

	MUNICIPALLY CONTROLLED SERVICE	CORPORATION	CORPORATION WITH FIELD ALTERNATIVES
STAFF			
Data entry clerks	$2,400,000	$2,400,000	$2,400,000
Benefits	360,000	360,000	360,000
Systems Analyst-inventory	50,000	50,000	50,000
TRAINING OF STAFF			
Inventory	450,000	450,000	450,000
Market Value Standard	1,400,000	1,200,000	1,300,000
Communications	340,000	340,000	340,000
Management-Corporation	0	100,000	100,000
COMPUTERS			
Software - market value	7,500,000	5,000,000	5,500,000
Hardware - market value	500,000	500,000	500,000
- inventory	500,000	500,000	500,000
STAFF RELOCATION	0	1,000,000	800,000
PUBLIC INFORMATION PROGRAM	1,000,000	1,000,000	1,000,000
Market Value	0	100,000	100,000
Establishment of Corporation			
TOTAL TRANSITION COSTS	$14,500,000	$13,000,000	$13,400,000